



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/996,825	11/30/2001	Michael B. Sundel	002250-2	2660

25570 7590 04/02/2009  
ROBERTS MLOTKOWSKI SAFRAN & COLE, P.C.  
Intellectual Property Department  
P.O. Box 10064  
MCLEAN, VA 22102-8064

EXAMINER
----------

SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
----------	--------------

3695

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

04/02/2009

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

lgallaugh@rmsclaw.com  
dbeltran@rmsclaw.com  
bdiaz@rmsclaw.com

1 RECORD OF ORAL HEARING  
2  
3 UNITED STATES PATENT AND TRADEMARK OFFICE  
4

5  
6 BEFORE THE BOARD OF PATENT APPEALS  
7 AND INTERFERENCES  
8

9  
10 Ex parte MICHAEL B. SUNDEL  
11

12  
13 Appeal 2008-4541  
14 Application 09/996,825  
15 Technology Center 3600  
16

17  
18  
19 Oral Hearing Held: February 10, 2009  
20

21  
22  
23 Before HUBERT C. LORIN, LINDA E. HORNER, and ANTON W.  
24 FETTING, Administrative Patent Judges

25  
26 ON BEHALF OF THE APPELLANT:  
27

28 CARLOS R. VILLAMAR, ESQUIRE  
29 Roberts, Mlotkowski, Safran & Cole, P.C.  
30 Intellectual Property Department  
31 P.O. Box 10064  
32 McLean, VA 22102-8064  
33

34  
35 The above-entitled matter came on for hearing on Tuesday, February 10,  
36 2009, at the U.S. Patent and Trademark Office, 600 Dulany Street,  
37 Alexandria, Virginia, before Victor Lindsay, Freestate Reporting, Inc.

1

2

P R O C E E D I N G S

3

4 MS. BOBO-ALLEN: Calendar No. 25, Appeal No. 2008-4541. Mr.  
5 Villamar.

6 Mr. Lorin.

7 JUDGE LORIN: Oh, good. Thank you very much.

8 MS. BOBO-ALLEN: Um-hum.

9 JUDGE LORIN: Good afternoon, Mr. Villamar. Could you state  
10 your name, and spell it for the transcriber, please?

11 MR. VILLAMAR: Yes, may it please the Board, my name is Carlos  
12 R. Villamar, C-a-r-l-o-s, middle initial R, last name V-i-l-l-a-m-a-r.

13 JUDGE LORIN: Okay, thank you, counsel. We have reviewed the  
14 record. You may proceed when you're ready. You have 20 minutes.

15 MR. VILLAMAR: Okay, I just want to make a few points. I know  
16 you guys have been here for a long time now. I've been waiting out there, so  
17 we'll make it short and sweet. I think there's a few dispositive points that I'd  
18 like to make. First of all, this case has been pending for almost a decade.  
19 There's been multiple appeals, lots of Examiner interviews. We've done  
20 everything at our end to try to advance the prosecution of this case.

21 JUDGE LORIN: Let me stop you there, counsel.

22 MR. VILLAMAR: Yes.

23 JUDGE LORIN: You said there are multiple appeals. Has this been  
24 decided before?

25 MR. VILLAMAR: This was -- this is the second time we've  
26 appealed. The previous appeal reopened prosecution, so we filed an appeal

1 brief. Prosecution was reopened. There has been tons of references applied.  
2 We're down to the two latest references du jour which are the references that  
3 are, you know, in this particular case right now. We've gone through a  
4 couple of Examiners in that time, and basically I think there's a few  
5 dispositive points here that may help you in rendering your decision.

6 JUDGE LORIN: Counsel, could you just get to the claim, please?

7 MR. VILLAMAR: Okay, sure. Let me slide this over here.

8 Specifically, you know, there's -- we had filed an RCE previously to have a  
9 declaration considered by the Examiner. We had tried to submit that after  
10 final. The Examiner said that it wasn't timely filed. We filed an RCE and  
11 pointed out the declaration, and again it wasn't considered by the Examiner.  
12 In fact, the Examiner hasn't considered the declaration until the Examiner's  
13 Answer, and in the Examiner's Answer he made a conclusory assertion that,  
14 you know, the data provided is not relevant with respect to the market.  
15 However, you know --

16 JUDGE LORIN: Counsel, let me stop here a second --

17 MR. VILLAMAR: Yes.

18 JUDGE LORIN: -- so we make sure we know where we are. You're  
19 speaking to the rejection under 103, and you're speaking about a declaration  
20 under 132?

21 MR. VILLAMAR: Yes.

22 JUDGE LORIN: Signed by Michael Sundel, the inventor?

23 MR. VILLAMAR: Correct, that's the owner of Worldpac, the  
24 appellant.

25 JUDGE LORIN: And this declaration was offered to show  
26 commercial success?

1           MR. VILLAMAR: Yes. There was an obviousness rejection, and we  
2           were trying to show commercial success. We, we presented the revenue that  
3           was being generated by the company with minimal advertising. Their main  
4           client is Purolator which is the biggest courier in Canada. In fact, they're  
5           owned by the, the Canadian government, and Purolator uses Worldpac  
6           system exclusively for all of their shipments from the U.S. to Canada.  
7           Purolator has numerous companies that I won't mention, both small and  
8           large, that are using the Worldpac system. You know, we tried to advance  
9           the prosecution in this case and, and you know, one of the issues is the fact  
10          that I know, I know under *KSR* you have to weigh the evidence of  
11          obviousness against secondary evidence. The secondary evidence hasn't  
12          been considered yet. If you look at the Examiner's Answer, it was a very  
13          conclusory remark regarding the evidence which wasn't addressed until the  
14          Answer. The reason I, I came back with the reply was to point out the fact  
15          that that conclusory Answer didn't really address the evidence and didn't  
16          give it the weight that was required.

17          Aside from that, I think if you look at the, the rejection on the merits,  
18          you know, I mean the -- and this is something that, that I want to clarify.  
19          There's, there's some 112 issues right now. There's a 101 issue and there's a  
20          112 first paragraph issue. We try to address the 112 issues via supplemental  
21          amendment. The Examiner refused to enter the amendment which was just  
22          making minor changes to try to clarify and at least remove the 112 issue, you  
23          know, from the appeal. The Examiner refused to enter it. Any issues related  
24          to 112 I think can be addressed via Examiner's amendment. You know, I  
25          mean that's the typical course of action that you take with Examiners.  
26          You -- I'm a very reasonable patent attorney. I go in. If it gets down to 112,

1 I'm more than happy to discuss language that would be suitable to both the  
2 Appellant and the Examiner.

3       However, it was quite clear from looking at the record and from the  
4 prosecution that I've attended that the Examiner did not want to go to appeal.  
5 Part of the reason is we included a limitation in the claim that talked about  
6 the fact that the package data is correlated with the items before the, before  
7 the package is shipped. Now this is important, and the Examiner raised a  
8 112 first paragraph issue regarding enablement of this feature, the reason  
9 being the main reference that's being applied is a return-only system. It's not  
10 a shipping and return system. It's a system that addresses the problem of  
11 you have multiple online stores that are, that are selling goods to individuals.  
12 Well, that main reference provides a system that allows these online stores to  
13 have a mechanism to return goods back to the sender. So not surprisingly,  
14 when you look at the main reference, there's nothing about the shipping data.

15       The Examiner has made, you know, a lot of jumps to try to say that,  
16 you know, that it doesn't matter whether it's shipping and return, that that's  
17 not important, that somebody is shipping. But at the end of a day, the reason  
18 that there's problems with that primary reference is because of the fact that  
19 there is no data generated before the package is shipped. Now this is  
20 important, because that's what distinguishes between a shipping system and  
21 return system. The, the points we try to make to the Examiner is look, in  
22 order to track these packages, you have to generate this record ahead of time  
23 that correlates the items with the package such that when the package goes  
24 out, and somebody needs to return a specific item from the package, it will  
25 be correlated within the database.

1 Well, the Examiner to try to get around this feature that we  
2 argued, said no, that's not enabled under 112 first paragraph. However, if  
3 you look at figure 3 and the description of figure 3, it's quite clear that the  
4 system generates the data before the package is shipped. In fact, as, as I  
5 mentioned in my Reply Brief, it's nonsensical, the argument that the  
6 Examiner said that the data could be generated after the package is shipped.  
7 If you look at figure 3, it lays out the specific steps of scanning the package,  
8 generating the data, determining whether there is a custom clearance  
9 requirement and then attaching that information and correlating that with the  
10 package and then shipping the package. We pointed out that to the  
11 Examiner on several occasions and, and he still, you know, he still did not  
12 address that, and that's why we're here today.

13 In the meantime, he has raised numerous 112 issues. He has raised 10  
14 different flavors of 101. If you look at the, the prosecution history, you'll  
15 see that, that I have overcome 101 rejections several times, and the latest 101  
16 rejection he's arguing, you know, nonfunctional descriptive material raised  
17 for the first time in the Answer. You know, the previous rejection was the  
18 fact that it wasn't tied to a specific computer system. We pointed out the fact  
19 that figure 6 is the computer system. You know, the claims recite, you  
20 know, the, the mechanisms that are used including the database, the  
21 correlation. At the time that those claims were written was back in the day  
22 when Examiners were happy with computer implemented and electronically  
23 performing steps.

24 JUDGE LORIN: Okay, counsel, I want to stop you for a second.

25 MR. VILLAMAR: Okay.

1 JUDGE LORIN: Because we seem to be covering a lot of different  
2 areas.

3 MR. VILLAMAR: Yeah.

4 JUDGE LORIN: Can we go in a more orderly fashion --

5 MR. VILLAMAR: Sure.

6 JUDGE LORIN: -- and begin with the first issue that the Examiner  
7 raised, and that is this 112 first paragraph written description requirement.

8 MR. VILLAMAR: Yes, and, and figure --

9 JUDGE LORIN: Now my, my --

10 MR. VILLAMAR: Go ahead.

11 JUDGE LORIN: -- understanding of the Examiner's position is that  
12 there is a particular clause which is before shipment occurs --

13 MR. VILLAMAR: Correct.

14 JUDGE LORIN: -- that is in the claim, and the Examiner is saying  
15 that this is not described in the specification.

16 MR. VILLAMAR: That, that is correct.

17 JUDGE LORIN: I just heard you say that we should look to figure 3.

18 MR. VILLAMAR: Correct.

19 JUDGE LORIN: Now I don't recall, I don't recall the brief saying or  
20 the reply brief saying to look at figure 3. I recall the brief reply saying look  
21 to figure 1. I don't see in figure 1 any discussion about shipment.

22 MR. VILLAMAR: Well, I think he actually considered the invention  
23 as a whole, and if you look at figure 3 it's the process that's performed by  
24 figure 1 --

25 JUDGE LORIN: Okay, so let's turn to figure 3.

26 MR. VILLAMAR: Sure.



1 JUDGE LORIN: Now show me again in figure 3 where this step, this  
2 step of, let's see --

3 MR. VILLAMAR: Yeah, if you, if you look at --

4 JUDGE LORIN: -- it is the --

5 MR. VILLAMAR: -- figure 3 --

6 JUDGE LORIN: Yeah, it is the step of electronically storing package  
7 data in a database before shipment occurs.

8 MR. VILLAMAR: Yes, and if you look at steps 312 through 324,  
9 they all occur before step 326 which is dispatching the package, and if you  
10 look at the description relative to figure 3, it describes what's happening in  
11 those steps including generating the data.

12 JUDGE LORIN: Okay, wait a minute. I'm looking at figure 3.

13 MR. VILLAMAR: Okay.

14 JUDGE LORIN: Now again, the Examiner is, the Examiner is raising  
15 the question with regard to electronically storing package data before  
16 shipment occurs. All right, so where in figure 3 is there a step of storing  
17 package data?

18 MR. VILLAMAR: That would be the step of tracking number and  
19 other processing information added to package record. As you know, a  
20 record is an electronic --

21 JUDGE LORIN: So that's 320?

22 MR. VILLAMAR: Yes, and then they do some customs clearance,  
23 and then they dispatch, dispatch the package. If we look at paragraph 28, I  
24 apologize, I'm working off of the published. I can go to the, the as-filed case  
25 but if you look at --

26 JUDGE LORIN: No, that's fine. Paragraph --

1 MR. VILLAMAR: -- paragraph 28 of the, of the published  
2 application, it goes through the details of that -- of those steps, and  
3 specifically the identifying information contained in the barcode will allow  
4 package data to be correlated to the package. Based on the package data in  
5 the database, processor can determine whether package requires a new  
6 address label.

7 In other words, I mean if you look at figure 3 and that description, it  
8 supports those limitations. This has been pointed out to the Examiner  
9 previously. As I said, the main reason the Examiner is, is clinging onto that  
10 limitation and trying to say that it's not enabled, which it clearly is, is  
11 because of the fact he has a return-only system that doesn't generate any data  
12 until after the package has been shipped. In the system of, of, in the system  
13 of Williams, et al., if you read the background section --

14 JUDGE LORIN: That's fine. We'll get to that --

15 MR. VILLAMAR: Okay.

16 JUDGE LORIN: -- when we get to that --

17 MR. VILLAMAR: Okay.

18 JUDGE LORIN: -- to that statute. But right now, I see, I see what  
19 you're saying here in figure 3, the description at paragraph 28, and it states  
20 that figure 3 illustrates steps taken to process packages to be shipped.

21 MR. VILLAMAR: Correct. And you notice the final --

22 JUDGE LORIN: Is there, is there any --

23 MR. VILLAMAR: -- is shipping the package --

24 JUDGE LORIN: Counsel, is there any reason why you did not make  
25 this point in your brief?

1 MR. VILLAMAR: I don't have a good reason. I mean the, the, you  
2 know, the Examiner is supposed to consider the, you know, the invention.  
3 We -- if we look through the record, you'll see that we've referred to all of  
4 these figures.

5 JUDGE LORIN: Okay, that's fine. Now let's move on to the second  
6 paragraph 112 question.

7 MR. VILLAMAR: Yeah. Once again with the 112 second paragraph  
8 issues, as you know, prior to appeal most Examiners are more than willing to  
9 try to minimize these sort of issues. You know, typically when I get to the  
10 point in a case where there's nothing but 112 left, I'm pretty happy, because  
11 that's something that can be worked out with the Examiner.

12 JUDGE LORIN: Am I, am I hearing you correctly, counsel --

13 MR. VILLAMAR: Yes.

14 JUDGE LORIN: -- that you agree with the points the Examiner  
15 made?

16 MR. VILLAMAR: No, I'm not saying that. I'm just saying that we  
17 attempted to address the 112 issues in an amendment that was not entered  
18 and, and you know, frankly I'm not sure why the Examiner didn't enter it.  
19 We're just trying to reduce the, the issues on appeal. As I --

20 JUDGE LORIN: Well, I --

21 MR. VILLAMAR: -- mentioned in, in the brief, you know, any issues  
22 such as 112 can easily be worked out --

23 JUDGE LORIN: That, that could very well be. I haven't looked at  
24 the amendment. Does the amendment address the four points the Examiner  
25 made in the answer?

1 MR. VILLAMAR: Well, he, you know, he, he raised those points  
2 afterwards, you know, and if you look at the prosecution, this has been a  
3 piecemeal prosecution the entire time. I've had several different versions of  
4 101 that have been overcome and reasserted. I've had several versions of  
5 112 second that have been overcome and reasserted. You know, at a certain  
6 point, you know, the Appellant needs some finality, and that's the point we  
7 got to was that we just couldn't keep filing RCE after RCE in an attempt to  
8 satisfy the Examiner when we had worked with him all along to try to  
9 address these issues.

10 I think, you know, I think the claims are fine the way they are. I just  
11 read through them, and frankly, I think the Examiner is incorrect with the  
12 112, and if there is any issues, it's a minor issue that could easily be  
13 corrected via the supplemental amendment or another supplemental  
14 amendment, but you know, once again, as I said, the Examiner in his  
15 Answer raised lots of new issues that weren't really previously covered and,  
16 and you know, we kept going forward, because we wanted a little bit of  
17 finality in this case.

18 I think if you get past the, the 112 and the 101 and the 112 first, I  
19 think that's the true underlying problem is the fact that the prior art is a  
20 return system. It doesn't -- it's not going to generate data before the package  
21 is shipped.

22 JUDGE LORIN: Okay, we'll get to that in a second. Okay, let's, let's  
23 look at the 101 rejection. How do you respond to that?

24 MR. VILLAMAR: You know, I've, I've been practicing for a long  
25 time. You know, as you know, *Bilski* came out post, post this case. I think  
26 those claims are fine under 101. If you look at, for example, you know --

1 JUDGE LORIN: Well, this is not -- this rejection is not under  
2 statutory subject matter eligibility. This is under utility.

3 MR. VILLAMAR: Well, you know, that was the 101 du jour. You  
4 know, previously it was that it wasn't tied to technological arts. You know,  
5 he raised the, the issue about, about, you know, nonfunctional descriptive  
6 material in his Answer, you know.

7 I think if you look at the claim, it has utility. The, you know, the, the  
8 system allows for tracking of international packages. The, the Worldpac  
9 company, as I said, is an international company that Purolator uses their  
10 system for tracking all packages that are shipped and returned from United  
11 States to Canada. The way they do that is because of the fact that prior to  
12 this system, packages were tracked on a package-by-package basis, okay,  
13 and if you're a big company that has, for example, a container, okay, and  
14 you're shipping containers between the U.S. and Canada, not only are their  
15 custom clearance issues which are addressed by the invention, but also there  
16 is the issue of what happens if somebody needs to return one item within this  
17 big container. Well, the invention, if you, if you go through the background,  
18 recognized these problems in existing systems, and they addressed that  
19 problem by correlating the item data within the package so that that way  
20 when somebody makes a return, or when the package gets sent, not only can  
21 you track the entire container or package, you can track individual items  
22 within that package.

23 So you know, the short answer is yes. I think the claims are perfectly  
24 fine under 101, all flavors of 101, you know, whether it's Bilsky or, or the  
25 previous requirements that the Examiner has newly raised.

1 JUDGE LORIN: Okay, well, I think reading the Examiner's position,  
2 I'm not so sure the Examiner articulated the problem the Examiner had in  
3 mind with regard to the claims that are rejected. The only claims that are  
4 rejected under 101 are the system claims that have means plus function --

5 MR. VILLAMAR: Yes.

6 JUDGE LORIN: -- clauses in them.

7 MR. VILLAMAR: Um-hum.

8 JUDGE LORIN: And reading the Examiner, including the Examiner's  
9 response to your brief, it seems as though the Examiner is taking a position  
10 that these means plus function clauses, when read in light of the  
11 specification, provide no structure to, to close -- to narrow the scope of the  
12 claim.

13 MR. VILLAMAR: I would disagree. You know, we pointed out to  
14 the Examiner exactly the structures that corresponded to each of those  
15 means. I think with respect to figure 6 --

16 JUDGE LORIN: Okay, now the point I'm trying to make is I, I think  
17 the Examiner intended to make a 112 second paragraph rejection.

18 MR. VILLAMAR: That may be the case.

19 JUDGE LORIN: Now, now under 112 second, you have used -- now  
20 we, we presume that you're using means plus function format, and we will  
21 look to the specification. Can you guide us to the specification where you  
22 have structure corresponding to the --

23 MR. VILLAMAR: We did that --

24 JUDGE LORIN: -- elements --

1 MR. VILLAMAR: -- in the record. If you look at, if you look at the,  
2 the brief, there is a section that addresses specifically where -- let me find  
3 that for you.

4 JUDGE LORIN: I have looked at the brief and I, I see that all you  
5 have stated is to look to paragraphs 35 and 36 and figure 6.

6 MR. VILLAMAR: That's correct, and figure 6 is the, is the system  
7 diagram. Let me just pull figure 6 real quick. Okay, figure 6 is the overall  
8 system diagram. And, and these issues were previously addressed also in, in  
9 previous responses. I mean the Examiner has raised 101 several times.

10 An apparatus -- I'm reading out of paragraph 35. An apparatus for  
11 facilitating the shipment of packages illustrated in figure 6. The apparatus  
12 can be, can be used to accomplish the procedures described above. There's  
13 detailed flowcharts that show what the apparatus does. I know sometimes  
14 there's issues with respect to black boxes not being, you know, adequately  
15 described. However, if you look through figures 1 through 5, there's  
16 flowcharts that show the entire process, and this is supposed to show the  
17 overall system.

18 If you look at figure 6, there's, there's the processor 600 and database  
19 602. Now those are all elements that are recited within the claims, not the  
20 processor but the, the database is recited.

21 Let me just pull the claim real quick and, and I wasn't planning on  
22 parsing that right now, but I'll be more than happy to. But, but the bottom  
23 line is if you look at, you know, what is, what is described with respect to  
24 figure 6 relative to the claims --

25 JUDGE LORIN: That's not, that's not necessary, counsel. It's a point  
26 that I wanted to raise.

1 MR. VILLAMAR: Yeah.

2 JUDGE LORIN: Because I think that's what the Examiner was  
3 intending to raise.

4 MR. VILLAMAR: And again, we did -- we have pointed this out to  
5 him before, you know, and figure 6 is the overall system which includes the  
6 various, you know, the various parts of the system that can interface with the  
7 centralized shipping and return system and, and you know, if you look 112  
8 sixth paragraph and, and I can map -- I know under the new Board rules  
9 there is a requirement of mapping the 112 first -- I'm sorry 112 sixth. I  
10 apologize that isn't as clear as it could have been but, but you know, I  
11 think --

12 JUDGE LORIN: Well, we did notice that, counsel. We noticed that  
13 the appeal brief did not do that.

14 MR. VILLAMAR: That's correct, and as I mentioned before, if you  
15 look at the, the responses, we have pointed out how this is shown in figure 6,  
16 and again, I could go through it with you.

17 But you know, the basic point is you've got a centralized system that  
18 has interfaces. For example, they're not marked in figure 6, so I'd have to go  
19 back and forth and mark them, but you know, those are the components that  
20 correspond to the means plus function claims. And you know, aside, aside  
21 from that, you know, we do have the process claim that, that, you know, is  
22 still pending as well and --

23 JUDGE LORIN: Okay, that's fine, counsel.

24 MR. VILLAMAR: Okay.

25 JUDGE LORIN: Could you now move on to 103?

26 MR. VILLAMAR: Excuse me?



1 JUDGE LORIN: You can now move on to the 103 rejection.

2 MR. VILLAMAR: Okay --

3 JUDGE LORIN: Williams in view of Le.

4 MR. VILLAMAR: Sure, and, and I think, you know, something that,  
5 that may be happening, and I don't know, I mean I've been an Examiner  
6 under Al MacDonald back in speech signal processing, and you know, the  
7 way I was trained is you, you got an invention. You search the whole, entire  
8 application for all the possible features, and at that point in time you actually  
9 had to come up with, with reasons for combining. You know, and Al  
10 MacDonald was very pro-patents, and unless I could find, you know, a  
11 reference saying that this element can be combined with this other reference,  
12 you know, I wouldn't have a solid 103. As we know, after *KSR* all bets are  
13 off. Unfortunately I think, you know, a lot of Examiners have taken, you  
14 know, have taken the position that under *KSR* they had carte blanche  
15 treatment of just finding elements and saying that it's obvious.

16 Now in this particular situation, the reason I kept going back to that  
17 one first 112 paragraph issue is because it highlights the problem with the  
18 prior art that the Examiner apparently is trying to avoid, and that problem is  
19 the fact that the main reference, Williams, is not a shipping and return  
20 system. It's a system that addresses problems with how do online stores  
21 allow their customers to send stuff back. As a result of that, there's, there's  
22 no disclosure of generating this correlated package data before the package  
23 gets shipped, because in that system inherently the package has already been  
24 shipped, and all the data that's being generated is for returning of the  
25 package.

1           Now the, the Examiner clings onto that feature and tries to reject  
2   under 112 first because it is dispositive, you know, and it's -- the point we've  
3   been trying to make to the Examiner all along is that Williams is not a  
4   shipping and return system. So you know, the, the way I try to look at  
5   things and the way I was taught to look at things, you're supposed to start at  
6   the prior art and arrive at the invention. You're not supposed to start at the  
7   invention and work your way backwards with the prior art, and  
8   unfortunately I think that's what's been the case here.

9           The Examiner has taken a return-only system, and he's tried to morph  
10   it into the shipping and return system that we have, and that clause sort of  
11   highlights the problem with that, that the, the Williams, et al. reference did  
12   not address, you know, if you look through the reference, it has to do with  
13   how do you set up online storage with a return mechanism. The other  
14   reference that was applied, Le, et al., the Examiner admitted isn't relevant to  
15   the, to the features that we're trying to argue, and the reason he pulled Le, et  
16   al. had to do with customs clearance.

17          So now the question I have for the Examiner is if you have Williams,  
18   et al. in front of you, which is clearly directed to a return-only system, okay,  
19   and then from that you add Le, et al., which has to do with customs  
20   clearance, and he argues, first of all, that, that it doesn't matter whether it's  
21   shipping and return, he's not giving those limitations any weight, and the fact  
22   that the, the shipping data is being generated before the package is shipped is  
23   a 112 first paragraph issue. But assuming that I'm correct and that figure 3  
24   does show what it shows, which I think is correct, then the Examiner has the  
25   problem that he has a return-only system and not only -- at this point it's not  
26   an obviousness issue. It's a prima facie issue. He's missing an important

1 element that he's tried to, he's tried to address with this 112 first paragraph  
2 rejection.

3         So if you start from Williams, et al. return only system, and you add  
4 this customs clearance to it, first of all, why would you add custom clearance  
5 to a return system? You know, typically custom clearance is when you're,  
6 when you're doing the shipping end of it, and in fact, that's the reason  
7 Worldpac has the shipping and return system is because they've got products  
8 flowing from the United States to Canada, and that mechanism is important.  
9 Now if you start from Williams, et al. that's missing the return portion, even  
10 if you add Le, et al. which shows this customs clearing portion, I think you  
11 still have a deficient system in the sense that it's missing the most important  
12 part which is the shipping part.

13         Now you know, had I written an application like Williams, et al. and  
14 tried to claim the shipping mechanism that I'm trying to get allowed right  
15 now, I would have gotten enablement issues. They would have said oh,  
16 undue experimentation, you know, it's not sufficient. By the same token,  
17 how can the Examiner now take that system and morph it back into what  
18 we're doing without having the same problems of enablement and undue  
19 experimentation.

20         Now I know undue experimentation isn't really relevant to these sort  
21 of things, but I think it is sort of analogous. You know, if, if you design a  
22 system that's missing something, and you try to claim that thing that's  
23 missing, well, unless it can be, you know, unless it's predictable or, or, you  
24 know, unless it's adequately disclosed, you're going to get an enablement  
25 issue that says it would require undue experimentation to do that. I think the  
26 combination of Le and, and Williams, et al. has that problem, and I think

1 when you add the declaration that wasn't properly considered, I think the  
2 balance is in favor of the Appellant, or I wouldn't be here. I would have  
3 continued prosecuting it, you know, with the Examiner.

4 JUDGE LORIN: All right, counsel, I have two questions.

5 MR. VILLAMAR: Yes.

6 JUDGE LORIN: All right, the first question is I read your briefs, and  
7 I did not take away from that that your argument was that Williams does not  
8 show the steps going from the sender to the recipient.

9 MR. VILLAMAR: Yeah, that was addressing, in fact, the Examiner  
10 in his Answer tried to, you know, tried to satisfy by saying basically that  
11 somebody has to be shipping it. If you recall in his, in his answer he said --

12 JUDGE LORIN: No, I know that, counsel, but what I'm saying is I'm  
13 reading your brief here, and I'm looking for that argument that you're  
14 making now, that that aspect of your claimed invention that involves the  
15 steps from the sender to the recipient are not disclosed in Williams as the  
16 Examiner alleges.

17 MR. VILLAMAR: If you look at every response that we've filed, you  
18 know, since Williams has been applied, we've been making that argument. I  
19 can point out where it is in those responses. You know, the Examiner has  
20 never addressed that issue. We've, we've raised it multiple times in multiple  
21 responses, and the first time he addresses it is in his Answer, and the first  
22 time he addresses it he, he blows it off and says somebody's got to be  
23 shipping it basically.

24 JUDGE LORIN: Right, my --

25 MR. VILLAMAR: If you like, I can go through and point out where  
26 in the record, you know, those arguments are made.

1 JUDGE LORIN: No, that's fine, counsel. Okay, my next question is  
2 to this aspect of your claimed invention, these steps of storing package data,  
3 retrieving shipment tracking data and correlating package data with shipping  
4 tracking data that involve the data with respect to packages going from the  
5 sender to the recipient, that aspect of the claimed invention that you're  
6 saying Williams does not disclose, in my review of Williams, I've seen some  
7 disclosure about the use of databases by the merchant. For example, I see in  
8 paragraph 30 of Williams a discussion here about as you say Williams'  
9 return merchant service system.

10 MR. VILLAMAR: Um-hum.

11 JUDGE LORIN: Okay, but Williams states that that can be a  
12 component, that can be a component of a merchant system.

13 MR. VILLAMAR: What paragraph is that, sir?

14 JUDGE LORIN: Thirty, paragraph 30 of Williams on page 3. It talks  
15 about this return merchant system being a component of a merchant system,  
16 including merchant interfaces, that include shipment rating, shipment  
17 tracking, shipment tracking management reports, shipping options, and then  
18 it does include return requests.

19 Now why wouldn't one of ordinary skill reading this, reading this  
20 reference as a whole, why would that not lead them to include as part of this  
21 return, return system an additional system that also tracks shipments from  
22 the sender to the recipient?

23 MR. VILLAMAR: I think the issue again is enablement. You know,  
24 you have a very general description here that yes, you know, in -- this is the  
25 first time this has been brought up, you know --

26 JUDGE LORIN: No, I recognize that, counsel.

1           MR. VILLAMAR: -- that you know, I've had a chance to address it,  
2 but you know, once again if you look at the invention as a whole, it has a,  
3 you know, it's basically a return system. This in and of itself the Examiner  
4 would argue doesn't enable, you know, if I had had a statement like that in  
5 my application, the Examiner would have said that's not enabled. Show me  
6 where you're talking about sending it before the package is shipped. You  
7 know, this general statement, which is the first time I've had a chance to  
8 consider it, is very general and still would not overcome that, that problem.

9           I think if you look at this invention as a whole, you may, may have  
10 found the only language in that whole reference that talks about potentially  
11 using that as a shipping system, and you know, it's a, you know, based on  
12 this reading it's a very general description that doesn't teach the specifics that  
13 we're trying to claim, and I would argue that basically even with that it's still,  
14 you know, it's still the same issue.

15           And then when you couple to that the secondary evidence, I think that,  
16 you know, the Examiner hasn't met his burden with respect to the evidence.  
17 In other words, you know, even with this clause and, and a possible  
18 combination, you know, how do you integrate this customs clearance feature  
19 into that system? You have to modify this return system to do what the  
20 invention is doing. Now you have to integrate that customs management  
21 circuit. I would argue that that isn't predictable. I would argue that, that,  
22 you know, had I written an application like this and tried to claim those  
23 features, I would have gotten an enablement problem based on undue  
24 experimentation.

1           And, and I think when you couple to that the success of the company  
2     without any advertising, in fact, I just got an e-mail and, you know, I hate  
3     to -- I know this isn't part of the record but, you know --

4           JUDGE LORIN: No, we, we would not want to entertain new  
5     evidence at this point. Thank you.

6           MR. VILLAMAR: Okay. But, but anyways, I mean since, you know,  
7     this case has been pending a long time, but since that declaration has been  
8     filed, they've been very, very successful, you know, and everything that's in  
9     that declaration can be, you know, magnified with respect to their success.

10          JUDGE LORIN: Well, okay, counsel. Let's turn --

11          MR. VILLAMAR: Yeah.

12          JUDGE LORIN: -- to your declaration that you're relying upon as  
13     secondary considerations of non-obviousness. Now I've read this  
14     declaration, and it appears to discuss a Worldpac shipping system.

15          MR. VILLAMAR: Correct.

16          JUDGE LORIN: And it is alleged that that system has produced a  
17     certain amount of revenue.

18          MR. VILLAMAR: Yeah, that's correct. I have to find the actual dec.,  
19     because it was filed a while back.

20          Okay, I've got it here now. Okay. If we look at the noted declaration  
21     and specifically I mean, you know, you know, one of the things you need to  
22     do is you need to tie the declaration to the actual system, and as you know,  
23     the appellant has signed this under penalty of perjury. You know, this is  
24     their system. This is what they were trying to patent back in 2001. It's  
25     signed by the applicant. It shows in Exhibit A, second page, an overview of  
26     the system that the, the applicant is attesting is his system, and that's, you

1 know, a figure right out of the patent application. You know, I think that,  
2 that, you know, overcomes that issue, you know. As you know, he is under  
3 penalty of perjury.

4 And then the numbers he talks about talks about the success of the  
5 system. You know, Purolator USA is, is Canada's leading courier. It's  
6 owned by Canada Post, and you know, Purolator is exclusively using this  
7 system for their, you know, shipping and return system. You know, the one  
8 comment the Examiner made was, you know, how can \$800,000 revenue,  
9 you know, he didn't seem to give that much weight. But as I pointed out in,  
10 in the reply brief, you know, he can't just make an assertion like that. We  
11 are making the assertion that this has arrived with minimal or no advertising,  
12 you know, and I think that is an issue with respect to, to commercial success.  
13 You know, if your, if your invention is very successful with minimal  
14 advertising, well, you know, that's, that's indicative of the fact that it may be,  
15 it may be a good invention.

16 JUDGE FETTING: But you only have one customer you say,  
17 Purolator. You don't need advertising.

18 MR. VILLAMAR: Well, you know, Purolator is a customer, but they  
19 have many, many clients. You know, Purolator, for example, services many,  
20 many companies that are in the U.S., you know, including --

21 JUDGE FETTING: And all of those companies are your customer as  
22 well?

23 MR. VILLAMAR: Yes. The, the Purolator, Purolator, the Purolator  
24 clients are using the Worldpac system and, and there's small and large  
25 clients and, and you know, I think, I think, you know, the fact that, that  
26 biggest courier in Canada is using the system for all of their, you know,



1 international trade with the U.S. I think is substantial, and those numbers  
2 have tripled since, you know, since this is back in '05 now that we're talking  
3 about. And even with the way the economy is right now, his company  
4 continues to grow. He has very little overhead, because he doesn't do  
5 advertising. Most of the revenue goes to salary, and the rest is profits, and  
6 it's been a very, very successful company, and unfortunately I think the  
7 Examiner sort of addressed that in hindsight, you know, at the last minute,  
8 even though we filed an RCE just to have him consider that, that evidence.

9 So I think it's unfortunate that that's the case, but you know, that's why  
10 I'm here, you know, and I'm here to tell you yes, there is indicia of  
11 obviousness. There is also indicia, you know, of non-obviousness which are  
12 these, these -- this commercial success which hasn't been properly weighed,  
13 and I think if you weighed in view of the deficiencies that I've pointed out,  
14 you know, I wouldn't be here if I didn't think that it should swing in the  
15 Appellant's favor and I do. And, and --

16 JUDGE LORIN: How are we to know that this Worldpac shipping  
17 system as discussed in the declaration is the shipping system that's claimed?

18 MR. VILLAMAR: Well, the, the invention claimed in at least  
19 independent claims 1 and 33 of patent application corresponds to the  
20 Worldpac shipping system employed by Applicant's company. As I said,  
21 you know, this is my client. They signed a declaration under penalty of  
22 perjury. We filed this invention to protect their system. You know,  
23 companies just don't --

24 Well, anyways, that's my answer.

25 JUDGE LORIN: Your, your answer is you're asking us to give  
26 credibility --

1 MR. VILLAMAR: Yes.

2 JUDGE LORIN: -- to a declaration signed by the inventor, the  
3 application --

4 MR. VILLAMAR: Correct.

5 JUDGE LORIN: -- that's seeking --

6 MR. VILLAMAR: We're --

7 JUDGE LORIN: -- a ruling of non-obviousness over the prior art.

8 MR. VILLAMAR: Yes. I mean, you know, my understanding is, is  
9 that these declarations, the reason they're written under penalty of perjury is  
10 for that reason. You know, otherwise people would say whatever they  
11 wanted, and there would be no recourse. You know, I've been working with  
12 this case shortly after it was filed, you know, and, and you know, I'm very  
13 confident that you can rely on that, or I wouldn't be standing here.

14 JUDGE HORNER: How, how are we to give weight or what, what  
15 amount of weight should we give to the fact that Purolator has taken a  
16 license to this? I don't see anything in here that provides us with any  
17 evidence of why they took the license or that it's related to the invention  
18 rather than some other business reason.

19 MR. VILLAMAR: Well, the entire revenue of Worldpac is based on  
20 offering Worldpac shipping system and related services to clients. At  
21 present, all virtual revenue results from a contract with Purolator.

22 If, if -- so your question is how do we know that Purolator is using the  
23 system?

24 JUDGE HORNER: No, how do we know that Purolator decided to  
25 take this license because this invention is so great rather than Purolator

1 saying hey, they're offering us a really good deal. Financially it's in our  
2 interest to use their system instead of a competitor's system.

3 MR. VILLAMAR: Well, you know, I would argue that, that people  
4 use common business sense. You know, if, if I'm a company, and I have  
5 various systems that are available to me, you know, getting a deficient  
6 system because it's a great deal is not going to help you from a business  
7 point of view. You know, there was lots of systems out there that, that  
8 weren't addressing the needs and, and you know, Purolator clearly saw the  
9 advantages of this system, and I think if you look at the fact that this  
10 company is still growing, is still doing great, I think it's evidence that they  
11 made the right choice and --

12 JUDGE HORNER: But we don't have any evidence from Purolator  
13 to, to that effect.

14 MR. VILLAMAR: Well, you know, it's hard for me to get evidence  
15 from a client of a client. You know, I, I'd be more than happy, you know, I  
16 mean again had the Examiner raised these sort of issues and given me the  
17 opportunity to respond, I could have in a timely fashion gone to the client  
18 and said look, would you mind getting affidavits from Purolator regarding  
19 the system. You know, I did the best I could. I, I hoped that the Examiner  
20 would consider it, and unfortunately he didn't give it much consideration,  
21 and you know, I'm hoping that, that the Board will give it the consideration  
22 it's due.

23 You know, again, you know, Purolator is a big company. I suspect  
24 that they're not in the business of deploying deficient systems, and I suspect  
25 that they have a choice of, of picking from a variety of systems and, and the  
26 fact that they did take a license from them and use them exclusively for all

1 of their shipping I think has to have some weight and, and you know, as far  
2 as that number, you know, it's like obviousness. I don't know where it falls  
3 in the scale and where the obviousness is relative to the secondary evidence.  
4 I think it's in the Appellant's favor.

5 JUDGE FETTING: How much maintenance does your client do on  
6 the software at Purolator's request each year?

7 MR. VILLAMAR: I don't know that off of the top of my head, but I  
8 do know that they -- the reason they have very low overhead, and this also  
9 addresses your question, you know, why are they using only one client  
10 basically, well, part of the reason is because Purolator provides the  
11 computing equipment and everything to enable the system of the client, and  
12 therefore they can keep their, their overhead very low, and at the same time  
13 they can leverage Purolator's vast marketing and client base to, you know, to  
14 deploy the system across all of Purolator's clients.

15 And I'm sorry, I may have spaced here. I don't know, I don't know if I  
16 answered your exact question. What was that again?

17 JUDGE FETTING: I was trying to figure out how much, how much  
18 maintenance your client does and how many -- how much programming  
19 staff does your client have?

20 MR. VILLAMAR: Well, you know, I know half of their revenue  
21 goes to salaries. You know, so if you look at, if you look at the numbers,  
22 you know, you know, back in '05 of around 800,000, most of the overhead is  
23 salaries, and the reason again is because, you know, they provide support for  
24 the system, but as far as the servers and, and the actual hardware, that's,  
25 that's where Purolator comes in, and that's why they have this sort of  
26 mutually beneficial arrangement. You know, you've got a big company with

1 lots of clients deploying a system of a small company with good technology  
2 and, and --

3 But as far as to give you an exact number I, you know, I couldn't.  
4 You know, clearly if, if this had been raised, I could have entertained the  
5 concept of going to Purolator and asking them these sort of questions, you  
6 know, if they would have been dispositive.

7 JUDGE FETTING: We're just trying to ascertain whether Purolator  
8 likes, you know, goes through your system because of the technical features  
9 or because of its programming staff or because it's a, it's a good source of  
10 programming staff. There could be a lot of reasons. You're saying -- you're  
11 telling us -- you're asking us to apply a lot of credibility to the fact that  
12 Purolator is your client's client but, but it's not clear what the reason is and,  
13 and that the reason is necessarily because your product is, is so much better  
14 than the competition.

15 MR. VILLAMAR: Well, you know, I think if you look at item --

16 JUDGE FETTING: There could be other reasons is what I'm saying.

17 MR. VILLAMAR: If you look at item 5 of the declaration, I think it  
18 addresses some of those concerns. It says a few years ago, Canada Post  
19 formed a joint venture with the computer consulting giant CGI to provide IT  
20 services in postal administrative including all postal entities. The fact that  
21 Purolator still uses the Worldpac shipping system to service, you know, its  
22 U.S. customer, you know, further shows that, and I think that goes to that  
23 point that, you know, I think it's because of the system. In fact I know. I  
24 mean, you know, he's been very successful and, and as I said, if I could  
25 introduce, you know, affidavits from Purolator, had that point been raised,  
26 I'm sure you would see that.

1           But I think I've covered all the points I needed to make. You know, I,  
2 I thank you very much for taking the time to listen to me and, and I  
3 appreciate that.

4           JUDGE LORIN: Thank you, counsel.

5           Any further questions?

6           JUDGE HORNER: No further questions.

7           JUDGE FETTING: Thank you.

8           JUDGE LORIN: Thank you, counsel. We'll take your comments  
9 under advisement.

10          JUDGE LORIN: Okay, thank you very much.

11          (Whereupon, the hearing concluded on February 10, 2009.)